

CLEAN CITIES INCREMENTAL COST OF ALTERNATIVE FUEL VEHICLES

ESTIMATED FUNDS AVAILABLE: \$800,000

ESTIMATED NUMBER OF PROJECTS: 4 - 8

FUNDING CEILINGS/EXPECTED RANGE OF FUNDING: \$100,000 for light-duty alternative fuel vehicle (AFV), and \$200,000 for medium and heavy-duty AFV projects.

COST SHARE REQUIREMENTS: None. 100% of the incremental cost of the AFVs is available.

Incremental cost shall be calculated on the difference between the cost of the AFV and the cost of a comparable conventional model verified by manufacturer estimate, after all other applicable manufacturer and local/State rebates and cash equivalent incentives are applied. For retrofitted AFVs, the incremental cost shall be based on the cost of the new fuel system plus installation after all other applicable manufacturer and local/State rebates and cash equivalent incentives are applied. Vehicle retrofits are limited to U.S. Environmental Protection Agency and/or California Air Resources Board emissions compliant vehicle systems. Funds are not available for non-fuel system upgrades such as transmissions and exhaust systems and should not be included in the incremental cost.

Only vehicles that will operate on Energy Policy Act of 1992 authorized alternative fuels are eligible (see http://www.eere.energy.gov/cleancities/vbg/whatis_epact.shtml to find a listing of authorized fuels).

QUALIFICATION CRITERIA: States must submit special project applications in partnership with their local, officially-designated (or approved for designation) Clean Cities coalition. Only projects located in active, designated (or approved for designation) Clean Cities are eligible for funding. An “active” coalition is one with a valid and approved memorandum of understanding with DOE. “Approved for designation” means that DOE has authorized a designation ceremony for a coalition. A separate application for each coalition must be submitted. Failure to comply with this qualification criteria will deem the application non-responsive and will not be considered for comprehensive evaluation.

BACKGROUND AND OBJECTIVES: The goal of the U.S. Department of Energy’s (DOE) Clean Cities initiative is to decrease the nation’s dependence on petroleum in the transportation sector through public/private Clean Cities partnerships formed around the country by:

- Accelerating the development of a sustainable alternative fuels market
- Accelerating the use of idle reduction technologies
- Accelerating the use of hybrid vehicles
- Increasing the use of alternative fuel blends in petroleum fuels
- Promoting informed consumer choice on fuel economy

PROJECTS REQUESTED/AREA OF INTEREST: Funding is available for the incremental cost of new highway-certified AFVs and conventional fuel vehicles (i.e., vehicles designed to operate using diesel or gasoline) retrofitted to operate on alternative fuels that will result in large conventional fuel displacement. Vehicle retrofits are limited to U.S. Environmental Protection Agency and/or California Air Resources Board emissions compliant vehicle systems. DOE has particular interest in funding medium- and heavy-duty highway vehicles. Priority will be given to applications that include a strategy to concentrate AFVs in activity centers that maximize infrastructure utilization.

Estimates of conventional fuel displacement shall be provided both per vehicle, and in total, over the projected ownership period of the AFVs (not the AFV lifetime). Fuel displacement shall be based on the fuel consumption of a comparable conventional fuel vehicle whether AFVs are replacing older vehicles or are additions to the existing fleet.

Projects are sought that will contribute to a sustainable alternative fuel market and potential for future growth without additional Federal funding. Evidence of this shall be provided as part of an explanation of the fleet's future operating plans.

AFVs that are acquired with SEP Special Project funds must display a Clean Cities decal that will be provided by DOE. Applications must describe how local communities, stakeholders, fleet operators, media and the general public will learn about the benefits of AFVs.

Projects requesting funding assistance for both AFVs and related fueling infrastructure must submit a separate application for the refueling infrastructure under the AFV Refueling Infrastructure category. Projects that expand the existing alternative fuel refueling infrastructure and/or encourage new infrastructure will be highly valued. Each application should clearly reference the other in order to assure proper consideration. School bus and related infrastructure projects must be submitted as a combined application as described in the School Bus category. Please see the School Bus category for infrastructure projects related to school bus fleets.

If project management costs are included in the budget, the project manager must be identified and his/her responsibilities described. Project management costs are not the same as administration costs.

Applications must include the Clean Cities Incremental Cost of AFVs Application Cover Sheet (Attachment 1) which summarizes significant application elements.

EVALUATION CRITERIA: Applications that satisfy the qualification criteria identified above, will then be evaluated and ranked by the following criteria:

1. Probability of project success based on the technical feasibility of the project, thoroughness of project implementation plan, identification and qualifications of appropriate team members, past performance of the team members, and quality of supporting documentation; that is, fleet and financial letters of commitment, letters with AFV cost information, and a coalition support letter. The application should demonstrate that the team has sufficient expertise and experience to bring the project to a successful conclusion. Grading factors will include: successful prior project management experience and with AFVs and infrastructure deployment; the performance track record of recipients of all previous DOE grants will be taken into account. Applicants must describe the status and results of all previous DOE grants in the application. **(Weight 35)**
2. Energy security benefits as indicted by conventional fuel displacement per vehicle, per project. **(Weight 35)**
3. Extent to which this project will contribute to a sustainable alternative fuel market and potential for growth without additional Federal funding, based on future fleet expansion plans; and probability of increasing awareness and acceptance of alternative fuels and AFVs among target sectors in the local community including, but not limited to, current stakeholders, fleet operators, media, and the general public. The intent to display Clean Cities decals on AFVs must be stated. Projects that encourage expansion of the existing refueling infrastructure are highly valued. **(Weight 20)**
4. Overall benefit to cost. Anticipated project benefits, cost effectiveness of project based on the amount of petroleum displaced; cost per gallon displaced. Active participation from other coalition stakeholders and partners are strongly encouraged. **(Weight 10)**

Attachment 1.
Incremental Cost of AFVs Application Cover Sheet

Applicant/State:

Sub-grantee:

Supporting Coalition Name:

Project Total: \$

Amount Requested: \$

Non-Federal Cost Share Committed, if any: \$

Number and Type of AFVs:

<u>Number</u>	<u>Fuel</u>	<u>OEM/Retrofitted</u>	<u>Light-, Medium-, Heavy-Duty</u>
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New or Addition to Existing Fleet:

Estimated Annual Petroleum Displacement:

Per vehicle:

Per project:

Is project tied to AFV Refueling Infrastructure project?

If yes, provide project number and brief description of project.